DOCUMENT RESUME

ED 339 067 CS 507 651

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TITLE The Function of Issues Management in the Decision Making Process: A Field Study.
PUB DATE Oct 91
NOTE 15p.; Paper presented at the Annual Meeting of the Speech Communication Association (77th, Atlanta, GA, October 31-November 3, 1991).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Access to Information; Communication Research; Content Analysis; *Decision Making; National Surveys; *Organizational Communication; *Policy Formation
IDENTIFIERS Focus Groups Approach; *Issues Management

ABSTRACT

A study explored the function of issues management in the decisionmaking process of policy makers and strategic planners as it is practiced in contemporary organizations. A sample of 56 professionals participated in a mail survey. Their accounts of how issues management operated in their organizations were evaluated with the use of descriptive statistics and content analysis. Results of the study indicated that issues management tended to operate in a centralized fashion. The operations of issues management fell mostly within the confines of the issues management team and excluded the participation of members outside the team. A repercussion from excluding others from the process was that key decision makers such as policy makers and strategic planners did not help to regulate and analyze the information about the issues. Moreover, there was the chance that they were not cognizant of the information and subsequently, they could not incorporate the information into their decision making. The role of issues management in the decision making process became limited and restricted to the decision making of members of the issues management team. Organizational communication scholars should continue their research into the function of issues management in the decision making process. (Author/PRA)

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ED339067

The Function of Issues Management in the Decision Making Process: A Field Study

Paper presented on a panel for the

Commission on Public Relations

at the

Speech Communication Association Annual Conference

October 31, 1991 - November 1, 1991

Atlanta, Georgia

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ABSTRACT

This study explores the function of issues management in the decision making process of policy makers and strategic planners as it is practiced in contemporary organizations.

A sample of 56 professionals participated in a mail survey. Their accounts of how issues management operated in their organizations were evaluated with the use of descriptive statistics and content analysis.

The results of the study indicate that issues management tends to operate in a centralized fashion. The operations of issues management fall mostly within the confines of the issues management team and exclude the participation of members outside the team. A repercussion of excluding other members from the process is that key decision makers such as policy makers and strategic planners do not help to regulate and analyze the information about the issues. Moreover, there is the chance they are not cognizant of the information and subsequently, they cannot incorporate the information into their decision making. The role of issues management in the decision making process becomes limited and restricted to the decision making of the members of the issues management team.

INTRODUCTION

Organizational communication scholars have discussed at great length the process of decision making and the facets involved in the process such as the role of information. This literature has produced a variety of assumptions about the role of information. For example, March and Sevon (1988) have suggested that contemporary organizations need to incorporate an information strategy that optimizes the use of information. There should be a tight linkage between flows of specific information and the decisions decided to be made (March & Sevon, 1988; Byrnes & Chesterton, 1973).

As it is presented in the literature, issues management (IM) appears to be a strategic approach to the management of information. A review of the various typologies of IM programs indicate that as information strategies, they serve different functions in the decision making process. Dutton and Ottensmeyer (1987), for example, suggest that IM plays one of two basic roles in decision making in organizations. In one type of program, IM operates in a predominantly advisory capacity because it facilitates the organization's adaption to trends occurring outside the organization (Dutton & Ottensmeyer, 1987; Wartick & Rude, 1986). In the other type of program, it functions only as a way of reporting the external trends to the organization (Dutton & Ottensmeyer, 1987; Wartick & Rude, 1986).

These two types of IM programs naturally represent different goals and objectives that eventually have different effects on the decision making process. In the advisory type program, IM can serve to enhance strategic planning and/or decision making and to enhance corporate citizenship in order to facilitate the organization's adaptation to the outside environment (Logsdon & Palmer, 1988). On the other hand, the goals and objectives of the reporter-type IM program are to provide a system to let decision makers keep abreast of employee interests, or to help improve overall communications (Nelson & Heath, 1986). This type of program acts like an information holding center in that it is a place where information is stored. This program has no active

function in the planning and decision making processes (Dutton & Ottensmeyer, 1987). Sometimes, it helps decision makers justify decisions already made (Dutton & Ottensmeyer, 1987).

Evidently, each type of IM program serves a different function in the decision making process. The question remains as to which type of program exists in practice. These typologies may or may not operate in varying degrees in contemporary organizations. It is important to explore the function of IM as it actually exists in organizations to appreciate its role in the decision making process.

RESEARCH RATIONALE

This study focused on exploring the function of IM as a source of information in the decision making process. The aim was to determine whether IM serves a helpful purpose to key decision makers in organizations such as strategic planners and policy makers. To some writers, IM has become the new and wonderful system to help such decision makers. Since its inception some twenty years ago, IM has been the object of much discussion that examined its contribution to organizations. Specifically, theorists have attempted to define it and understand its function in organizations with models and typologies (Chase, 1984; Dansker, Hansen, Loftin, & Veldwisch, 1987; Heath, 1988; Nelson and Heath, 1986). Most agree that a basic model exists that defines the overall process of IM. The basic model involves three stages including 1, identification of the issues; 2, analysis of the issues; and 3, development of responses to the issues.

IM an an Information Strategy

Many theorists have discussed what the requirements are to determine whether a system of analyzing information is helpful to decision makers. March (1988), for example, believes that it is necessary to design a system that eliminates the ambiguities between the information gathered and the information needed to make decisions. It is his contention that the problems are not understood enough so that they can be linked to the kind of information that will help solve the problem (March, 1988).

IM is a relatively new source of information that is described in the literature as a system that strives to correlate the deliberation over issues. According to theorists such as Byrnes and Chesterton (1973), this is helpful to the decision maker. The deliberation helps to eliminate the ambiguity between information gathered and the information needed to make decisions to solve problems.

As an information system, IM at, least theoretically, may be an effective source of information in the decision making process of key decision makers. Theoretically, certain models of IM indicate that it is a program established in the organization to collect information for its members through various means such as literature reviews and contacts with specialists. IM uses various traditional sources of information under one directive within one system designed to research issues that have or will have a direct or an indirect impact on the operations and success of the organization.

However, this speculation that IM can be a relevant and effective contributor to the decision making process has not been thoroughly tested. Very few studies, for example, provide evidence of how IM operates in organizations to determine if indeed IM systems can correlate the deliberation of information about issues and are, thus, effective sources of information. As the literature stands, an inadequate number of field studies have been conducted to explore the operations of IM. Thus, this study attempted to define IM as it operates in organizations and not as it is presented theoretically. In developing a reality-based definition, research can move towards determining if IM is indeed a system that serves to facilitate the deliberation of issues in the decision making process.

Research Questions

The present study addressed the following research questions. Does the issues management program optimize information? Does the issues management program collect and analyze information? Is the information of the issues management program made available to the decision makers in the organization? Is the information of the issues management program integrated into the decision making

process? Does the information of the issues management program influence the decisions made and the actions taken in the organization?

METHOD

Subjects

The participants in this study consisted of 56 IM professionals working in various types of organizations in the United States and Canada. These participants represented a sample of the IM professionals who were on a membership list of the Issues Management Association, an organization that was founded in 1982 to provide the opportunity for exchange of views about IM.

The majority of the participants were the directors of the IM programs in their organizations. The average number of years the participants had been in the position had been close to four years.

In this investigation, the participants were located in 33 different cities in the United States and in Canada. Ninety percent of the participants were in U.S. organizations, while the remaining worked in Canadian organizations.

Measurement and Procedures

Each participant completed a questionnaire that was composed of closed and open ended questions. The content of the questionnaire was determined mostly by the theory on IM. Specifically, the questions were developed within the framework of the three models of IM as proposed by Heath (1988) which include the centralized, decentralized and diffused models. In the presentation of these models, certain characteristics and dynamics about IM programs were identified. These observations regarded the purpose of the IM programs, the staff size, the place in the organization, the structure, the direction, and the methods of operation. These characteristics provided the content upon which most of the questions could be developed. The questionnaire, however, also included two open-ended questions to allow participants to define IM and its challenges in his or her own words. These open-ended

questions were added to allow the participant to discuss the dynamics of IM in his or her organization without being confined to the notions inbred in the closed-ended questions.

The format of the questionnaire was developed into two main parts. The first part of the questionnaire aimed to get basic information about the participant and the organization in which or she worked. The second part was designed to get a description of the IM program. Part two was developed to create a context in which to place the IM program.

Data Analysis

The analysis of the data in this study was facilitated by the use of descriptive statistics and content analysis.

Descriptive Statistics. Because the data on the questionnaire were of a nominal nature, the statistics used to study the data included phi and chi square. Phi was used to detect associations among the variables in the study, while chi was used to measure the significance of these associations. These statistics would help the researcher to answer the research questions.

Content Analysis. Content analysis was used to study the answers to the open-ended questions. A word unit of analysis was used to analyze the participant's definition of IM. This unit was chosen because it could study the value of the definition provided. It would help the researcher to determine whether the definitions tended to support the themes and ideas reflected in the research questions of the study. In particular, the ideas and themes of the research questions were identified as follows: the optimization of information; the collection and analysis of data; the availability of this data to the organization; the integration of the information into the decision making process; and the influence of the information on the decisions made and actions taken in the organization.

RESULTS

The Structure of IM Programs

The descriptive statistics indicated that in the majority of cases (86%), IM programs were part of a department. Very few

programs functioned independently (12%). In this sample IM usually belonged to the Public Affairs department or Strategic Planning Department.

The jurisdiction of the IM program usually fell under the vice president or director of the departments in which the program was housed. For example, the most frequently cited person who was responsible for the program was the vice president for public affairs (40.4% of the sample).

The average number of full-time employees working on the IM program was four to five.

The majority of the participants indicated that did not use an external task force (76.4%). Almost half indicated an internal task force was used, but that the size of the force varied according to the issues being investigated.

The Purpose of the IM Programs

The descriptive statistics indicated that the general purpose of the IM programs usually was to provide information the deliberation of issues for the IM team. Specifically, participants frequently cited four aims that serve that general purpose which included: to gather information about the issues (94.6% of the participants); to research/analyze the issues (91.1%); to develop options for responding to the issues (87%); and, to make the results of the programs available to executives in the organization (80%).

Almost 75% of the participants (73.2%) said that the information was used to help make decisions.

The content analysis of the open-ended questions revealed that 44% of the participants definitions of IM reflected all of the ideas and themes underlying the research questions.

The IM Process

The results indicated that the function of IM involved the completion of a number of activities by specific persons within the IM team.

More often than not, it was the IM director who decided what issues to analyze and who conducted the analysis. Phi association

between these two activities was recorded at .40608. This association was found to be significant n=54, sig=.0067. There was also an association between the director as the one who chooses the issues and the staff as the group that collect information about the issues (phi = .43355, n=54, sig=.0037).

The results also indicated that when the issues management director was not involved in the process of identifying, analyzing and responding to the issues, it was the issues management staff that does the work. A Phi level of .54286 was calculated in the association between the IM staff and the group hat decides what issues to analyze and the group that collects the information about he issues (n=54, sig=.002).

No association was found to link persons outside the IM team to the tasks of issue identification, analysis or response.

A prototype of IM results from this data.

Structure

The IM process operates under the public relations/affairs area of the organization. It is staffed with four to five full time members, most of whom have a university-level education.

Objectives

1. To gather information of relevance to the organization (or identify issues).
2. To research/analyze the issues.
3. TO make the resulting information available to the senior members in the organization.
4. To help make decisions and develop options to the organization.

Process

1. The issues manager or issues staff decides what issues to research.
2. The issues manager or issues staff collects the information.
3. The issues manager or issues staff analyzes the issues.
4. Decisions and actions are taken in response to issues.

Interviews

A focus group was developed to better understand the implications of this study. It was assumed that this was necessary

since the current literature concerning the field studies on IM is scant and thus, the literature could not help in the interpretation of the results. This method of using a focus group to better understand and help interpret the results of a study is becoming a common practice of interpretation when the literature on the topic being investigated is limited (Goering & Breidenstein-Cutspec, 1990). Also, it was assumed that the focus group could help determine if the conclusions made sense. The group might be able to lend explanations to the seeming contradictions of the study: On the one hand the definitions written by the participants indicate that IM programs operate on an integrated basis so that other members of the organization are "listed" as participating in the IM process, but in actuality, the stages of the processes are implemented by the IM team.

The focus group was formed of six people selected from the original sample group of this study. Each member of the group was briefed on the results and asked for their response.

Interestingly, four members of the group began their response with the phrase "I'm not surprised". Overall, the group believed that these results were in conjunction with their experiences in the field of IM.

One explanation for these conclusions is that the status of IM within the organization facilitates a centralized fashion of operation. Specifically, it was suggested that members of the IM team do not regard themselves as a part of management and, thus avoid interactions and association with management. The team was regarded as a line function, and, therefore, functioned as such. Consequently, as a line member of the organization, the team spent time gathering information, and describing and analyzing the information. Rather than integrating these activities with discourse and input from the management of the organization, the team worked as a service of information gatherers and analyzers. Ultimately, the team becomes only as vital to the organization as the management it involves in the IM process.

According to other considerations of the participants, the status of the IM team also affected the degree of authority of the team. In other words, the amount of authority a team had depended on how much a part of management it had become. The decisions the team could make about the issues would vary according to the amount

of authority it had in the organization. For instance, in some organizations where the IM team served a line function, the degree of authority it had was not as strong as the IM team that incorporated the input of top management into the organization.

It was also suggested that other factors accounted for the dominant centralized issue program that exists in contemporary organizations. According to one participant, for instance, the profession's relative youth might play a factor. As indicated in the literature as well, IM is described as being in the early stages of its development and this has resulted in a rather closed existence. The profession appears to be focusing on perfecting research and analysis techniques. In sum, the practitioners are focusing on the tools, and are sometimes ignoring the process to the point where they are working in isolation.

Another participant suggested that an integrated IM program would likely be more effective, but also that it is probably too expensive to implement. A truly integrated program that involves top members of management and the CEO/President, would be costly in terms of money, time and resources.

Sometimes the observations of the participants also indicated that while other members of the organization may not be involved in the IM process on a formal basis, they were involved on an informal one. According to one participant, for example, members in his organization sometimes responded to issues briefs (documents that gave an overview of the issues) that had been distributed throughout the organization. He indicated that often the less formal feedback is the more useful.

Sometimes, other members in the organization gave or suggested issues to the issues team that they believed were of importance to the organization. This can happen in different ways. At times, a manager faced with a problem resulting form an outside source might request the aid of the IM team. One participant, for example, cited a case in which a manager was having problems with an environmental group. Consequently, he brought that problem to the IM team to resolve.

One participant suggested that, at times, the other members of the organization can be brought into the process as part of the solution to an issue that poses a problem to the organization. For example, the IM team, as long as it had the authority, might decide

an issue was threatening enough to the organization to warrant the organization to take some sort of action. This action sometimes might be in the form of lobbying for some type of policy alteration. In the case of the former, the team might call in the legislative and/or legal arms of the organization. In the case of the latter, the team might enlist the aid of senior executives.

In other situations, senior management can become involved in the IM process by bringing issues they think are problems to the issues team to be solved. Issues commonly taken to the team are those that can have a direct impact on the "bottom line" or the profit level of the organization. In fact, money often leads to issues for the team to manage. According to one participant, for example, the very allocation of monies often results in new issues. IN the multinational organization, for example, line managers are sent a document, usually in August, asking them for the amount of money they estimate they will need for the year. This document also includes a narrative section in which they are asked to explore new or unusual request or needs, which in turn results in some sort of issue.

The considerations of the participants in the focus group lend some explanations to why most of the programs operate in a centralized fashion. Further they lend some explanations as to how members outside the IM team sometimes still plays a role in the IM process. These explanations provided some insight as to how the other members of the organization are involved in IM that the study was not able to delineate.

DISCUSSION

A number of conclusions emerge from this research. First, IM operates mostly in a centralized fashion as opposed to other ways in which it could operate such as the diffused or integrated. This is a significant indication because of its implications. If other decision makes in the organization such as policy makers and strategy planners were involved in the stages of IM, IM would take on a strong role in the decision making process. IM would be a system in which these decision makers could deliberate over information as they take part in the process of identifying, analyzing and responding to issues. This would be in effect, the

optimization of information by keeping a strong link between the problem (issue identification) and the information needed to solve the problem (issue analysis and response). However, because of the suggested centralized operations of IM the potential of IM to facilitate the deliberation of information for the key decision makers is not realized. Because they are excluded from the process, IM becomes another source of information to them and not the system of strategized information it could be. Thus, as in the cases of other source of information available to decisions makers, the information distributed to decisions makers from the IM department may or may not be used to help make decisions.

Because of the suggested exclusion of outsiders in the function of IM, decision making takes place mostly in the IM department. The function of IM in decision making throughout the whole organization does not exist for the most part.

Finally, analysis of the function of IM in the decision making process would also benefit from further research. Further, while this investigation focused on the function of IM, research could also benefit from investigative comparative benefits of IM. Exactly how can organizations measure the success of and IM program. Perhaps one type of program is more suitable for one type of organization than another. Until the different types are understood in terms of their functions there is little point in either constructing, changing or dismantling IM programs for the benefits of organizations.

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